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SUPPLEMENT A

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Title 13 - DEPARTMENT OF SOCIAL SERVICES

Division 40 - Division of Family Services

Chapter 81 - Vendor Payment for Medical Care Services

ADOPTED RULE

13 CSR 40-81.082 Limitation on Allowable Capital Cost Overruns for New Institutional Health Services in Title XIX Reimbursement Rate Setting

PURPOSE: This rule is to establish a limitation on the allowance of capital cost overruns in the construction of new institutional health services for Title XIX reimbursement rate setting purposes as mandated by H.B. 1086, 81st General Assembly.

(1) For implementation purposes of this regulation the following definitions shall apply-

(A) Initial project estimate-

1. Is the dollar amount for which the Missouri Health Facilities Review Committee issued a certificate of need; or
2. For those facilities deemed to have received a certificate of need, is the dollar amount specified on the binding construction or purchase contract which was executed prior to October 1, 1980.

(B) New institutional health services are those as specified in RSMo 197.305(9);

(C) Cost overrun is that part of project costs for new institutional health services in excess of ten percent (10%) of the initial project estimate; and

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(D) Project costs are those costs subject to review under Certificate of Need and include the general construction costs, site work, land acquisition costs, architectural and engineering fees, contingency costs, interest during construction, financing costs, and equipment acquisition costs.

(2) Project costs for new institutional health services in excess of ten percent (10%) of the initial project estimates shall not be considered in establishing a Title XIX per diem rate for the first thirty-six (36) months that a facility receives payment for services provided under section 208.152, RSMo for any facility that applies for approval or consent for a cost overrun on or after November 11, 1982. This limitation is effective whether or not approval is granted under subsection 7 of section 197.315. If approval or consent is given, a facility's cost overrun will be considered in establishing a Title XIX per diem rate after the thirty-six (36) month period in accordance with the provisions of the Title XIX Reimbursement Plan applicable to the provider type and subject to the limitations therein.

(3) If a facility applies for approval or consent for a cost overrun prior to November 11, 1982, and subsequently receives the requisite approval or consent, the dollar amount of the cost overrun will be considered in establishing a Title XIX per diem rate in accordance with the provisions of the Title XIX Reimbursement Plan applicable to the provider type and subject to the limitations therein, notwithstanding the provisions of section 197.357, RSMo.

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The State has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.

Approval Date MAR 20 1998
Effective Date October 1, 1997

Plan # 97-32
Supersedes Plan # New Material

TOTAL P.02

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 96-34

REIMBURSEMENT TYPE:

Nursing facility
ICF/MR

✓

PROPOSED EFFECTIVE DATE: 11/16/96

- A. State Assurances and Findings. The State assures that it has made the following findings:
1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓
 2. With respect to nursing facility services -
 - a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓
 - b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓
 - c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓
 3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
 - a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

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b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. na

If there are no State-operated facilities, please indicate "not applicable:" _____

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

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2. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. ✓
3. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. ✓
4. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. ✓
5. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. ✓

Notice published on:

11/15/96

If no date is shown, please explain:

6. 447.253 (i) - The State pays for long-term care services using rates determined in accordance with the methods and standards specified in the approved State plan. ✓

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C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF (HIV-NF)

Estimated average proposed payment rate as a result of this amendment:

- Average payment rate in effect for the immediately preceding rate period:

\$7.53 RLR 7/24/98

~~\$22.78~~ 73.58
RLR
7/24/98

Amount of change: \$5.30

Percent of change: 2.45%

~~\$22.78~~ 81.11
RLR
7/24/98
0.2390
RLR
7/24/98

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

- (a) The availability of services on a statewide and geographic area basis:

none

- (b) The type of care furnished:

same

- (c) The extent of provider participation:

none

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**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 96-33

REIMBURSEMENT TYPE:

Nursing facility
ICF/MR

✓

PROPOSED EFFECTIVE DATE: 11/15/96

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓

2. With respect to nursing facility services --

- a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓

- b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓

- c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓

3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:

- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

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b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. ✓

If there are no State-operated facilities, please indicate "not applicable:" _____

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

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C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF

Estimated average proposed payment rate as a result of this amendment:

\$83.21

Average payment rate in effect for the immediately preceding rate period:

\$80.77

Amount of change: \$2.44 Percent of change: 3.02%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis:

none

(b) The type of care furnished:

none

(c) The extent of provider participation:

none

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